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MILITARY COMMITTEE IN 'PERMANENT SESSION'

PY181536Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1512 GMT 18 Dec 78 PY

[Excerpt] Buenos Aires, 18 Dec (NA)--The Military Committee will meet again this afternoon in order to continue the analysis of the situation created by the border dispute with Chile in the southern region, according to authorized sources. The committee, which is composed of army chief Lt Gen Roberto Viola, navy chief Adm Armando Lambruschini, air force chief Lt Gen Orlando Agosti and President Jorge Videla, has been in permanent session since last week. According to the same sources, Foreign Minister Air Force Brig Gen Carlos Pastor (ret) will also attend the meeting, as he did last week when he attended most of the meetings. The utmost secrecy is being maintained concerning the discussions at these meetings at which the highest-ranking authorities are studying the problem.

AIR FORCE SECRETARY GENERAL RETURNS FROM CHILE VISIT

PY181928Y Paris AFP in Spanish 1857 GMT 18 Dec 78 PY

[Excerpts] Santiago, Chile, 18 Dec (AFP)--The secretary general of the Argentine Air Force, Gen Basilio Lami Dozo, returned to Buenos Aires today after meeting with several Chilean officials here. Argentine Embassy sources in Santiago declined to reveal the specific mission of the general, who stayed in Chile less than 24 hours and whose trip was linked to the Beagle Channel border conflict between the two countries. There was also secrecy in the Chilean Foreign Ministry regarding the activities of the Argentine general and the contacts made in this capital. According to military sources, the Argentine visitor met today with Gen Fernando Matthei, chief of the Chilean Air Force and member of the Chilean Government military junta.

INTERIOR MINISTER COMMENTS ON BEAGLE DISPUTE

PY182324Y Buenos Aires TELAM in Spanish 1626 GMT 18 Dec 78 PY

[Excerpt] Resistencia, 18 Dec (TELAM)--Interior Minister Eduardo Albano Harguindeguy said today with regard to the conflict with Chile that a solution is expected to the problem before the end of this year in a way that is in keeping with nations capable of interpreting the feelings of both brother nations. He added that the conflict with Chile must be resolved as soon as possible so the two countries, without any conflict or friction, may carry out joint projects. During a brief contact with the local press at noon today, the interior minister said our country is looking at the events with expectation, but with a patriotic feeling.

LETTER ON BEAGLE DISPUTE SENT TO BRAZIL

PY181801Y Buenos Aires Domestic Service in Spanish 1600 GMT 18 Dec 78 PY

[Text] In a statement made to a Buenos Aires radio station, the Argentine ambassador to Brazil explained the terms of a letter sent by the Argentine Embassy to the Brazilian Government in answer to a note regarding the border conflict with Chile.

Ambassador Oscar Camilion noted that in essence the Argentine note, which is an answer to the Brazilian Government's concern to find a peaceful solution to the border dispute with Chile, states that Argentina's interest is to continue its adherence to the Puerto Montt agreement, which established a guideline for the negotiations and from which Argentina does not want to divert.

Camilion added: The Argentine Government answered the Brazilian note, which was considered an appeal by a friendly government, by explaining its position and citing the reason for the present status of the negotiations; particularly the reasons why the mediation to which the two countries aspire has not been achieved.

LA RAZON: CHILE SEEMS UNWILLING TO CONTINUE TALKS

PY182344Y Paris AFP in Spanish 2053 GMT 18 Dec 78 PY

[Excerpt] Buenos Aires, 18 Dec (AFP)--Chilean Government officials do not seem to be willing to carry on the bilateral negotiations, the progovernment newspaper LA RAZON stated here today. In boldface headlines, LA RAZON stated here today that Argentina wants peace without restricting its sovereignty, and added that Chile agreed to the mediation, provided the issue is presented to the pope as a settled matter, and not a political puzzle. LA RAZON also stated that since the Act of Puerto Montt, all initiatives have been made by Argentina, while Chile has merely accepted, rejected or ignored them.

ARMY EXERCISES CLOSE BORDER WITH CHILE

PY182301Y Paris AFP in Spanish 2141 GMT 18 Dec 78 PY

[Text] Santiago, Chile, 18 Dec (AFP)--It was reported here today that the international railroad which links Chile and Argentina through the Andes Mountains is closed due to maneuvers being carried out by the Argentine Army. The military exercises, which caused the closure of the borders between the two countries about 150 km east of Santiago, have forced 70 passengers, mostly Chileans, to remain in Mendoza, Argentina. The report was made by sources of the Chilean railroad enterprise, who said that the train left Buenos Aires last Tuesday and arrived in Mendoza the following day, where it is still being held up.

MALVINAS ISLANDS TALKS WITH GREAT BRITAIN RESUME

PY181641Y Buenos Aires TELAM in Spanish 1240 GMT 18 Dec 78 PY

[Excerpts] Geneva, 18 Dec (TELAM)--Argentina and the UK resumed in Geneva today negotiations on the Malvinas Islands, which are administered by the UK and claimed by Argentina. The negotiations in Geneva, which will end 20 December, were preceded by other negotiations held in Rome, Paris, Lima, and New York. The Argentine delegation is headed by Foreign Relations Under Secretary Gualter Allara, and that of the United Kingdom by Commonwealth Minister Thed Rowlands. Both delegations include numerous experts. The negotiations, which were preceded by a meeting of experts, started at 1000 local time at the Argentine mission headquaarters at the UN European Bureau. The agenda provides, however, that the last meeting, to be held on Wednesday, should be carried out at the UK mission in Geneva.

OFFICIALS COMMENT ON OPEC'S OIL PRICE INCREASE

PY182214Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1938 GMT 18 Dec 78 PY

[Excerpt] Buenos Aires, 18 Dec (NA)--The 14.5 percent oil price increase approved by OPEC prompted different reactions among government officials. Raul Ondarts, president of Government Oil Deposits, YPF, said the increase "will have little repercussion in Argentina"; and Luis Garcia Martinez, chief of the cabinet of advisers at the Economy Ministry, said the result of the increase will be "completely negative for the country."

These remarks were made during interviews in the radio programs "Belgrano Show" and "Gente de Hoy," broadcast by Radio Belgrano and Radio el Mundo respectively.

Ondarts said: "Next year we will import 7 to 8 percent of our oil, and therefore I believe we will not have any problems."

Martinez said, however, that the oil increase "will hurt us with regard to the placement of Argentine exports, and we should not forget that we are in the process of export expansion."

With regard to the 14.5 percent oil price increase, Ondarts indicated that "in reality, this percentage represents the devaluation of the dollar during the 2 years that oil prices remained stable. Therefore, there is no real increase, due to the fact that the unit price of oil--that is, the dollar--has decreased and OPEC makes price corrections in accordance with dollar devaluation.

MARITIME SECRETARY RETURNS FROM TALKS IN JAPAN

FY161706Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1030 GMT 16 Dec 78 FY

[Excerpts] Maritime Interest Secretary Carlos Maria Guevara returned yesterday from Japan where he held a series of meetings on increasing technical cooperation between the two countries. He also discussed the supply of technological equipment needed at the Ezeiza hydraulic laboratory, and matters concerning bilateral issues.

Rear Admiral Guevara said that negotiations to purchase an oceanographic research ship are quite advanced. Regarding the construction of a deep water port, he noted that the Japanese Transportation Ministry is very interested in this subject. He also stated that there is no news regarding the settlement of Japanese fishing colonies in the south of Argentina.

Regarding a merchant line to the Far East, he said that such a service exists since Argentina maintains commercial relations with that region, although the service depends on the opportunities offered in Singapore, Hong Kong and Indonesia. He added that increased frequency is needed so Argentine businessmen can offer their products abroad.

YACYRETA DAM PROJECT RECEIVES $210-MILLION LOAN

FY150131Y Buenos Aires TELAM in Spanish 2010 GMT 14 Dec 78 FY

[Excerpt] Buenos Aires, 14 Dec (TELAM)--A $210-million loan--the largest granted by the Interamerican Development Bank to date--bas been granted to Argentina for financing the main construction contract of the Argentine-Paraguayan Yacyreta hydroelectric dam.

This information was released today by the Argentine Economy Ministry, which indicated that the loan is granted to the binational enterprise Yacyreta and is guaranteed by Argentina. The loan amortization period is 20 years with 6 and 1/2 years of grace, and the interest rate is 7.5 percent per year.

The Argentine Economy Ministry indicated that to this loan will be added another for the same amount, which is currently under consideration by the International Bank for Reconstruction and Development [IBRD], adding that the talks are far advanced, and that it will be definitely approved in the first half of next year.

RAILROAD WORKERS STRIKE FOR MORE PAY

PY152355Y Paris AFP in Spanish 2215 GMT 15 Dec 78 PY

[Text] Rosario, 15 Dec (AFP)--Approximately 1,200 railroad workers of the Perez workshops of this city began a strike today, dissatisfied with the low salary scales approved by the Argentine military government. Other railroad sectors, where a general strike was held recently in demand for improvement of the low salaries, exhibited some signs of unease, but activities remained normal.

In response to journalists' questions addressed to the Interior Ministry in Buenos Aires, approximately 370 km from this city, it was indicated that at a time when the government and people are exhibiting commonsense and decisiveness toward the conflict with Chile, no measures of force will be allowed.

40 JEHOVAH'S WITNESSES MEMBERS ARRESTED

PY181835Y Buenos Aires TELAM in Spanish 1417 GMT 18 Dec 78 PY

[Text] Resistencia, 18 Dec (TELAM)--Police sources reported today that in an operation carried out in Presidencia Roque Saenz Pena, second largest city in the Chaco, located 170 km east of Resistencia, about 40 members of Jehovah's Witnesses were arrested. The same sources reported that the operation was carried out in accordance with regulations in force concerning public meetings. The detainees were put at the disposal of military area No 233.

POLICE REPORT FINDING MISSING PERSONS

PY160038Y Buenos Aires CLARIN in Spanish 15 Dec 78 p 10 PY

[Excerpt] The federal police have officially announced that from September to today it has been able to establish the whereabouts of 159 persons whose disappearance had been duly reported to the appropriate authorities. The police also reported that during this same period it returned 40 minors to their homes or to the various institutions where they had been interned. The police information states that the investigations were conducted by the missing persons division of the investigations department of the Argentine Federal Police, and disclosed the names of the 159 adults, but not those of the 40 minors.

BRIEFS

BLACKOUT EXERCISE--Rio Cuarto, 15 Dec (NA)--An unexpected blackout exercise took place here last night. Authorities in charge reported that the outcome was successful. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1411 GMT 15 Dec 78 PY]

ITALIAN NUCLEAR ASSISTANCE--Italy has offered the National Atomic Energy Commission [CNEA] a proposal to finance and build the Atucha II nuclear plant and other nuclear plants in the Argentine nuclear program. This proposal came in the wake of a meeting held last October between the CNEA and representatives of the state-owned and private Italian companies working in the electricity and nuclear energy fields. [Buenos Aires Domestic Service in Spanish 1030 GMT 15 Dec 78 PY]

MINING CIRCLES PROPOSE RECOGNITION OF PRC

PY181749Y Paris AFP in Spanish 1637 GMT 18 Dec 78 PY

[Text] La Paz, 18 Dec (AFP)--It was made known here today that Bolivian mining sectors have again proposed that this South American country establish diplomatic relations with the PRC and abandon the ROC. Nevertheless, current Bolivian-ROC relations are excellent from every viewpoint, maintained a high ranking Foreign Ministry official. But mining interests have proposed diplomatic pragmatism and closer ties with the PRC, a large consumer of minerals whose position in the international market is considered strategic by all Bolivian mining circles.

BOLIVIAN AIRSPACE OPEN TO CHILEAN COMMERCIAL FLIGHTS

PY181840Y Paris AFP in Spanish 1548 GMT 18 Dec 78 PY

[Text] La Paz, 18 Dec (AFP)--It was indicated today in La Paz that Chilean planes en route to Brazil, Uruguay or Europe will be allowed to fly through Bolivian airspace if the authorities of the neighboring country request such authorization from their Bolivian colleagues. A high civil aeronautical official who requested not to be identified indicated that Bolivia is maintaining its traditional position of friendship with regard to all commercial air passenger enterprises, and that it is disposed to grant what is written into international agreements. The official's opinion was given in answer to an AFP question regarding current Argentine restrictions concerning Chilean flights over that nation, also a Bolivian neighbor.

IMMIGRATION AUTHORITIES CONDUCT CENSUS OF FOREIGNERS

PY181649Y Buenos Aires TELAM in Spanish 0648 GMT 18 Dec 78 PY

[Text] Buenos Aires, 18 Dec (TELAM)--A UPI news agency report with a La Paz sourceline was filed yesterday concerning an alleged Chilean spy network. The following is the text of the report:

The Immigration Under Secretariat reiterated today that all foreigners living in Bolivia must present themselves to the immigration offices to comply with the census which started on Thursday. Although it was officially reported that this census is being carried out to determine the exact number of foreigners living in Bolivia, press sources have reported that the main objective is to establish how many Chileans are living in Bolivia.

Authorities in Cochabamba, located 450 km east of La Paz, issued reports last month on the discovery of an alleged Chilean spy network in Bolivia. The Interior Ministry has neither confirmed nor denied these reports, but almost immediately after these reports were issued, eight Chileans were expelled from the country. It is not known, however, whether this measure was related to the alleged spy network.

Last year the government carried out a census of foreigners, and it was determined that 3,000 Chileans were living in Bolivia.

MINISTER REPORTS IMPACT OF OPEC OIL PRICE DECISION

FY182308Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 18 Dec 78 FY

[Text] Brasilia--During a 3-hour meeting held here this afternoon, Mines and Energy Minister Shigeaki Ueki told President-elect Joao Baptista de Figueiredo that Brazil will spend $500 million next year as a result of the OPEC decision to increase oil prices by 14.5 percent. They also discussed issues related to petroleum, such as international prices, production, transportation and consumption. They will meet again on 20 December to discuss electrical and nuclear energy, noncommercial energy sources, and minerals.

PAPER COMMENTS ON U.S. PROBLEMS IN MIDDLE EAST

FY152203Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Dec 78 p 3 FY

[From the "Notes and Information" page: "A Serious Warning by President Carter"]

[Excerpts] President Carter's praiseworthy efforts to bring peace between Israel and Egypt have kept him from devoting his time and attention to the critical situation in Iran, the outcome of which can really upset the precarious balance of power in the world.

In view of the fact that the signing of the Israeli-Egyptian peace treaty is dragging, President Carter will have to resort to his authority and his country's influence. Cyrus Vance is traveling the aerial bridge built by his predecessor, cautiously performing the role of middleman. But if he should not succeed in this role, Carter, considering the risks involved, will have to bring the Israeli and Egyptian leaders together and press his authority on them, because the interests of the West--which are being threatened in that crossroads of three continents at a time when Iran is experiencing disturbances and is about to be taken out of the West's zone of defense and influence--are above those of the two conflicting countries. We know and understand the internal difficulties Begin and As-Sadat are finding in their efforts to sign a peace treaty.

If the Middle East and Iranian crises should flare up at the same time, jeopardizing Western positions in this critical area in the world conflict, no SALT agreement will stave off Soviet penetration of that region. And this penetration will only cause both Israel and Egypt to lose their sovereignty and national identity, as well as the land they are so heatedly arguing over. Although there are Jewish and Muslim people in the USSR, there are no truly independent Jewish and Muslim republics.

BRIEFS

EXPORT OF SHIPS--The Associated Shipyards of Brazil (ESABAAS) has officially reported that exports of ships will total $154 million this year--that is, it will be much higher than that of last year when exports totaled $40 million. [Rio de Janeiro O GLOBO in Portuguese 14 Dec 78 p 28 FY]

YEARLY CAR PRODUCTION--Brazil's automotive industry has already manufactured 1 million cars this year. This was an economic and historic accomplishment shared by only nine other countries, according to Mario Garnero, president of the National Automobile Manufacturers Association [ANFAVEA] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 December 1978 p 1 FY]

INTERIOR MINISTER COMMENTS ON CURRENT SITUATION

FY181825Y Santiago Chile Domestic Service in Spanish 1630 GMT 18 Dec 78 FY

[Text] Interior Minister Sergio Fernandez has asserted that there is complete calm in Chile, and that the country is constantly working to achieve its development. The interior minister noted: There are no disorders; on the contrary, the situation is absolutely calm and normal. This leads us to state that any conflict which may arise may be coped with successfully.

Regarding the series of bomb attacks which have been recently perpetrated in Santiago sectors, Fernandez stated that investigations are being carried out to determine those responsible for the attacks and put them at the disposal of the courts. He added that all signs indicate that the perpetrators of these attacks belong to extremist cells.

Furthermore, when asked about the decision of Argentine authorities to refuse a Chilean LADECO [Copper Airways] plane to overfly Argentine territory, Minister Sergio Fernandez reiterated that Chilean aeronautics board authorities are studying the case and the official Argentine report in this regard. He said that after this is completed, Chile will proceed in accordance with international regulations.

Regarding a second request to enter the country submitted by former Christian Democratic Senator (Rafael Agustin) (?Rumosio), the interior minister said that he had not received such a request, but that when it arrives it will be properly studied, all background details will be reviewed, and a decision will be made at the proper time in accordance with the usual procedures.

LABOR MINISTER COMMENTS ON NEW LABOR LAWS

FY151811Y Santiago Chile Domestic Service in Spanish 1000 GMT 15 Dec 78 FY

[Text] Labor Minister Vasco Costa has disclosed to government house journalists that the Chilean Government will approve all laws regulating labor activity in Chile during 1979. The labor minister explained that the previous government deadline, 31 October 1979, has been moved ahead since the pertinent studies are very advanced.

[Begin Vasco Costa recording] These studies refer to the enforcement of collective bargaining and the law of union organizations. The enforcement of these laws before the expected time will depend on the situation. These laws will be enforced sooner if the proper circumstances exist. Once these measures are approved, all the laws regulating labor and union activity will be definitely structured. [end recording]

Asked whether this assertion means that the government will introduce changes because of the boycott against Chile, the labor minister categorically denied this. He added that the Chilean Government does not act under pressure. He said: The government established its own deadlines and these deadlines can now be shortened.

Vasco Costa reasserted that all labor union laws will be approved on the basis of the principles within the objectives of the government junta.

[Begin Vasco Costa recording] As we said on 27 October, these principles are the restoration of the dignity of work; the freedom to join unions; and the full independence of intermediate organizations, that is, unions. This means a complete separation from any activity other than that exclusively pertaining to union activity. [end recording]

ECONOMY TO BE 'SERIOUSLY AFFECTED' BY OIL PRICE INCREASE

PA181407Y Bogota Cadena Radial Super in Spanish 1100 GMT 18 Dec 78 PA

[Text] Bogota--Colombia's economy will be seriously affected by the producers' decision to raise the international price of oil. According to Mines Minister Alberto Vasquez Restrepo, Colombia will have to spend an additional 2 billion pesos as a result of the new prices. At this time, Minister Vasquez Restrepo added, Colombia must import 22 million barrels of crude oil and, due to the OPEC readjustment, the initially foreseen costs will increase markedly. Vasquez Restrepo agreed with the thesis that the developing countries will be noticeably affected by the decision [words indistinct].

AGREEMENT SIGNED TO PROMOTE TRADE WITH CHILE

PA161657Y Buenos Aires LATIN in Spanish 0009 GMT 16 Dec 78 PA

[Text] Bogota, 15 Dec (LATIN)--Chile and Colombia agreed today to establish mechanisms to promote bilateral trade, including the increase in the line of credit granted by Chile from $5 million to $10 million.

A joint Colombian-Chilean commission which met here this week carefully analyzed the matter and concluded its deliberations today by signing the agreement. The document was signed by Colombian Deputy Development Minister Cesar Gaviria.

The two countries said that they are seeking to fully implement in both nations the integrationist policies of the Latin American Free Trade Association (LAFTA).

Chile offered a $10-million line of credit for the purchase by Colombia of Chilean capital goods and durable consumer goods. The credits granted under this agreement will receive the lowest prime interest rate during the next 5 years.

Colombia insisted that Chile apply preferential LAFTA guidelines to Colombia, while Chile replied that such an agreement must be reached within LAFTA's multilateral framework so that, along with the other contracting parties, they could make the commitments acquired under the tariff liberalization program compatible with their respective tariff policies in view of the fact that there has been generalized noncompliance with those commitments. [sentence as received]

However, Chile expressed willingness to proceed in the bilateral identification and quantification of its effects [as received] on reciprocal trade in order to facilitate the reaching of an integral solution within the aforementioned framework.

Colombian businessmen who participated in the deliberations proposed the establishment of joint chambers of commerce in both capitals. This proposal will be considered by Chile's central chamber of commerce.

The two countries also agreed to expedite interstate transportation by land, sea and air, and the two delegations praised Chile's recent decision to eliminate the system of double taxation for air and sea companies.

The agreements also applied to personnel training and cooperation in food and nutrition programs and in agriculture.

The two countries agreed to establish, within an undetermined period, a technical commission to analyze various matters related to transportation.

The financial agreement will be implemented as soon as the respective procedures are completed by the bank of the Republic of Colombia (the Central Bank), which will supervise Colombia's participation in the project.

PEREZ VOICES SATISFACTION OVER OIL PRICE INCREASE

PA181538Y Buenos Aires LATIN in Spanish 2042 GMT 17 Dec 78 PA

[By Jorge Banales]

[Text] Caracas, 17 Dec (LATIN)--President Carlos Andres Perez said today that he is deeply satisfied with the progressive price increase approved by the conference of ministers of the Organization of Petroleum Exporting Countries (OPEC) in Abu Dhabi.

In statements to the press made at Miraflores Palace this afternoon, the chief of state explained that partial increases will be made in January, April, July and October 1979 to raise the price of oil from $12.70 to $14.80 per barrel during that period.

When a reduction in the worldwide demand for oil forced us to reduce production in 1978, there were those who, like Casandras, predicted a catastrophe for Venezuela, Perez said. The president said that those predictions were based on either fear or political motives or were simply made by those who do not believe in Venezuela.

The decrease in production in January and February of this year lowered Venezuela's production average from 2.1 million to 1.5 million barrels a day and made it necessary to cut the budget by $500 million.

Perez recalled that at the time he had insisted that the worldwide energy situation had remained unchanged from 1977 and that the oil which was not sold today would be sold tomorrow at a better price.

Venezuela has maintained a bold and aggressive but sensible oil policy and its role within the OPEC has never been greater than during the 5 years of my presidential term, Perez said.

HERRERA DESCRIBES OPEC POSITION AS 'SENSIBLE'

PA190435Y Madrid EFE in Spanish 0303 GMT 19 Dec 78 PA

[Text] Caracas, 18 Dec (EFE)--Venezuelan President-elect Luis Herrera Campins today said that a true petroleum policy will be established during his administration. Herrera Campins also said that it is necessary to have large embassies in the main petroleum-exporting countries.

The president-elect described the position adopted by the Organization of Petroleum Exporting Countries [OPEC] as "very sensible." He noted that the most important nations in the world were consulted before the decision was made to increase oil prices.

Herrera promised that, beginning in March, he will intensify Venezuela's relations with the other OPEC members on a bilateral level as well as within the organization.

PEREZ RECEIVES NETHERLANDS ANTILLES OFFICIAL

PA181540Y Caracas Radio Continente Network in Spanish 1000 GMT 18 Dec 78 PA

[Text] President Carlos Andres Perez has received Sylvius Rozendal, minister-president of the Netherlands Antilles, at Miraflores Palace. The two discussed matters of cooperation between the two countries at the meeting.

Foreign Minister Simon Alberto Consalvi and the minister of information and communications of the Netherlands Antilles also attended the meeting.

The minister-president explained that he came to Venezuela to sign the instrument of ratification of the treaties on marine and submarine areas between the two countries. He added that while he was on this mission, he visited President Perez to extend his greetings and to discuss matters of cooperation between the two countries.

Maritime Boundary Treaty Signed

PA161553Y Madrid EFE in Spanish 0050 GMT 16 Dec 78 PA

[Text] Caracas, 15 Dec (EFE)--The Venezuelan and Netherlands Antilles governments today implemented the treaty delimiting marine and submarine areas.

In a special ceremony held at the Venezuelan Foreign Ministry, Netherlands Antilles Minister-President Sylvius Rozendal and Venezuelan Foreign Minister Simon Alberto Consalvi signed the diplomatic exchange documents by which the treaty was immediately implemented.

At the end of the ceremony, Foreign Minister Consalvi said that "this is the achievement of a just and equitable solution which will definitely contribute to the good relations between our peoples and the consolidation of the fraternal ties with the Netherlands and especially with the Antillean people."

The treaty had been ratified by the legislatures of the Netherlands and Venezuela. The treaty, according to Foreign Minister Consalvi, is the fundamental link in the definition of marine and submarine areas which historically belong to Venezuela.

The Venezuelan Foreign Ministry also emphasized that this ceremony opens the door for cooperation between Venezuela and the Netherlands Antilles.

He expressed that that the Netherlands' decision to grant full independence to the Netherlands Antilles will become a reality in the near future.

Netherlands Antilles Minister-President Sylvius Rozendal said that the implementation of the marine delimitation area is definitely a firm step toward the Antilles' future independence. He was very satisfied with the terms of the treaty and said that "it is not only an example of good will, but sets the bases for close cooperation between Venezuela and the Netherlands Antilles."

PRESIDENT TO ATTEND NORTH-SOUTH SUMMIT IN JAMAICA

PA161340Y Buenos Aires LATIN in Spanish 0220 GMT 16 Dec 78 PA

[Text] Caracas, 15 Dec (LATIN)--President Carlos Andres Perez will attend a chiefs of state of developed and underdeveloped countries summit in Jamaica at the end of this month to discuss various aspects of the so-called North-South dialog.

Enrique Ter Horst, adviser to the Ministry of International Economic Affairs, explained to LATIN that the meeting will be informal, with an open agenda, and that it will allow the leaders to express their viewpoints regarding the international situation.

Among Venezuela's main concerns, Ter Horst said, are the stabilization of raw material, technological exchanges, the world monetary situation and the debt of underdeveloped countries.

In addition to Perez and Jamaican Prime Minister Michael Manley, the following have confirmed their attendance at the 28 December meeting: Australian Prime Minister Malcolm Fraser, Canadian Prime Minister Pierre Trudeau, FRG Chancellor Helmut Schmidt, Norwegian Prime Minister Odvar Nordli and Nigerian head of state Lt Gen Olusegun Obasanjo.

The Venezuelan Government firmly supports the establishment of a new international economic order that will guarantee underdeveloped countries--the exporters of raw material--a fair return on their products in comparison with the purchases they must make from industrialized countries.

Manuel Perez Guerrero, minister of state for international economic affairs, said here that among the issues discussed in the North-South dialog, the problem of raw materials has very unique importance. He added that, for this reason, the negotiating conference on the common fund is perhaps the most significant effort since the integrated program on raw material was approved in Nairobi in May 1976.

Perez Guerrero feels that a favorable conclusion regarding the common fund for raw material would provide evidence of the political willingness of the governments, particularly the governments of industrialized countries, to advance in other areas of dialog.

The common fund seeks to create a reserve of some $2 billion, with contributions from the industrialized and underdeveloped countries, to protect raw material exports from abrupt variations in price and demand.

The minister said that more flexible positions are being noted among the industrialized countries which had not been very receptive to the creation of the common fund, despite the fact that an agreement to implement this key feature of the integral program had already been reached at the Paris conference.

Perez Guerrero said that if this spirit prevails and the bases of the fund can be established before the upcoming UNCTAD meeting in May, the North-South dialog will have entered a positive phase.

Finally, the official said that the establishment of the fund will permit progress to be made in other areas, such as technology, industrialization, financial and monetary matters and even the foreign debt.

BRIEFS

NATIONAL MONETARY LIQUIDITY--Caracas, 13 Dec (EFE)--The Central Bank of Venezuela announced today that monetary liquidity [la liquidez monetaria] in the domestic market at present amounts to $17 billion, one of the highest in the nation's history. Experts say liquidity has been growing tremendously since August. In part, the present liquidity is attributed to yearend bonuses paid to private and government employees. Another cause is the measure recently adopted by the central government, transferring some government deposits to private banks. [Madrid EFE in Spanish 1214 GMT 13 Dec 78 PA]

OIL PRODUCTION DECREASE--Caracas, 16 Dec (AFP)--The Energy and Mines Ministry has announced that Venezuela's daily oil production between 13 December 1977 and 13 December 1978 decreased by 4.12 percent. Last year the daily average production was 2,251,846 barrels in comparison to the present 2,159,028, a decrease of 92,818 per day. The top production set for the nation, for conservation reasons and to protect the price of crude, is 2.2 million barrels daily. Local authorities explained that current production, below this ceiling, results from a reduction in imports by industrialized nations which accumulated a large amount of oil. [Paris AFP in Spanish 1425 GMT 16 Dec 78 PA]

FOREIGN SECRETARY ROEL CITES PROBLEMS WITH U.S.

FL152037Y Mexico City INFORMEX in Spanish 1818 GMT 15 Dec 78 FL

[Text] Mexico City, 14 Dec [as received] (INFORMEX)--This country's principal problems on foreign policy matters are with the United States, Foreign Secretary Santiago Roel asserted today. In this regard, he said Mexico seeks to break a "barrier of misunderstanding with dignity, decorum, courage and patriotism." He added that the essence of President Lopez-Portillo's policy is based on interdependence and respect for national sovereignty.

Roel emphasized that Mexico always has struggled for peace and this has been recognized at various international forums.

During his participation in a series of conferences organized by the Institutional Revolutionary Party--PRI--on the occasion of the 50th anniversary of the founding of the party, Roel stated that Mexico "does not look at oil and gas as additional products, but rather as strategic products which it is willing to exchange for development." He added that the Mexican Government has decided that the sources of energy and the possibility for creating a definitive modern and industrial state will be aimed at technological development and self-sufficiency.

The foreign secretary stated that in international activities Mexico bases its positions on its domestic policy which is based on "the ideology of the revolution, which is the same that governs the internal statutes of the PRI."

He also said that "our nation--which up to now has joined with firm solidarity all the causes of the poorest people of the world--should be more just for all Mexicans."

In referring specifically to sanctions imposed by the OAS on Cuba in 1962, he recalled that Mexico refused to break relations with that country and participate in the "unjust economic blockade," which was a show of independence in international relations.

He also said that Mexico also condemned North American intervention in the Dominican Republic and Mexico refused to participate in joining a military-type inter-American force which eventually could be used as a new instrument of the "big stick."

Roel added that in our ties with Latin American nations we do not look for sameness or differences; we do not want to intervene in the rise of doctrines which we do not share, although we do not want to be indifferent.

He maintained that "we will keep up the vigorous struggle to maintain the right of exile unchanged, and we have demonstrated this in facing the Nicaraguan problem and in support for the complete return of Panamanian sovereignty over the Canal Zone."

"We will struggle to the end, as indicated by the policies of President Lopez-Portillo, to turn Latin America into a true zone of peace, with full economic and social development," concluded the foreign secretary.

PEMEX TO SELL OIL AT $13.70 BEGINNING 1 JANUARY

PA190225Y Paris AFP in Spanish 2144 GMT 18 Dec 78 PA

[Text] Mexico City, 18 Dec (AFP)--Mexican Petroleum [PEMEX] Director Jorge Diaz Serrano today announced that beginning on 1 January a barrel of Mexican oil will cost $13.70. The new price is higher than the price of $13.33 per barrel of 42 gallons set by OPEC beginning on 1 January.

PAPERS NOTE MIXED REACTION ON PRC-U.S. RELATIONS

PA170115Y Paris AFP in Spanish 2111 GMT 16 Dec 78 PA

[Text] Mexico City, 16 Dec (AFP)--The announcement of the reestablishment of relations between the United States and the People's Republic of China [PRC] has been given broad attention by all the local news media.

As the morning newspaper UNO MAS UNO (of the moderate independent left) sees it, the two countries "with this step have completed a complex process that readjusts the most important world forces and creates a new situation."

EXCELSIOR (an independent newspaper of the center left) interprets the reestablishment of relations as a new phase in the history of international relations and as a victory for the PRC's policies. According to EXCELSIOR, "the world in general will benefit" from these new relations.

UNO MAS UNO, however, believes that the strengthening of relations between the PRC and the United States will result in the PRC and the Soviet Union moving further apart and concludes that the differences between these two big socialist countries will become evident with disputes in third countries. According to UNO MAS UNO, the objective of the United States in recognizing the PRC is to try to deepen the rifts between the PRC and the Soviet Union.

UNO MAS UNO points out that the PRC is abandoning its old ideological principles in order to take on pragmatic policies, which could represent a threat to peace in some areas of the world.

PRESIDENT LOPEZ-PORTILLO DISCUSSES HOUSING PROBLEMS

FL152127Y Mexico City INFORMEX in Spanish 1921 GMT 15 Dec 78 FL

[Antonio Santoyo M. report]

[Excerpts] Mexico City, 14 [as received] Dec (INFORMEX)--In stating that he is fully aware of the demographic and territorial problems and that the current challenge is to organize this to turn it into an organism which is completely healthy and not a skeleton of intentions, President Jose Lopez-Portillo stated that the government assumes full responsibility in achieving this.

The chief executive stated the above at the end of a work meeting lasting more than 3 hours on "urban development planning" and the inauguration of the new Human Settlements Secretariat building which will house the under secretary of this field.

He said that the present generation is living in what he calls "the crest of the wave" of the demographic problem and that by the end of the century it will become critically evident, both quantitatively and qualitatively.

The conversion of the population from rural to urban is a tendency which can be guided but not avoided, the president later stated by indicating that the basic challenge is to change the awareness, diagnosis, information, research and reality into a normative institution which has influence and determines the reality itself.

In his remarks the chief executive stated that sufficient space and time to bring order to urban growth in the country is the fundamental challenge of planning which must contain a complete picture of the problem so that territorial decisions do not end in frustration and failure.

He pointed out the importance of the Secretariat of Human Settlements in stating that planning is a constant pledge to establish permanent action [program]. He then stated that only the government has the information, resources and operations to plan and carry out these proposals. And he said that this is the great responsibility of the government.

At the end of the meeting architect Pedro Ramirez Vazquez, secretary of human settlements and public works, summed up the topics presented.

GOVERNMENT'S AMNESTY CRITICIZED AS 'USELESS'

PA151412Y Madrid EFE in Spanish 0507 GMT 15 Dec 78 PA

[Text] Acapulco, Mexico, 14 Dec (EFE)--A Mexican guerrilla, a follower of the famous Lucio Cabanas, here today described the government's recently decreed amnesty as useless, Francisco Fierro Loza, 35, said he was in favor of armed struggle because the "leftist parties are ineffective."

Fierro Loza is at large after escaping from jail dressed as a prison guard. He had been imprisoned for participating in the kidnaping of a former school director. He expressed his ideas in a communique he sent to a local newspaper. In his communique the guerrilla said that he will continue his struggle for amnesty for political prisoners in all jails of the country.

The Mexican Government issued an amnesty in September for all political prisoners as long as they had not committed violent crimes.

IMCE REPORT ON FOREIGN TRADE DEFICIT

FL152007Y Mexico City INFORMEX in Spanish 1911 GMT 15 Dec 78 FL

[Excerpts] Mexico City, 14 Dec [as received] (INFORMEX)--The Mexican Foreign Trade Institute [IMCE] today told INFORMEX that the country's foreign trade from January to October 1978 recorded a deficit of $1,661,409,000.

Indications are that the deficit will be slightly more than 45 billion pesos by the end of the year. Based on indicators from the General Directorate of Statistics of the Planning and Budget Secretariat, IMCE added that (?imports) for the first 10 months of the year amounted to $6,069,290,000 as compared to $4,364,359,000 for 1977. [presumably for the same period]

Exports amounted to $4,407,881,000 for the aforementioned period in 1978 and $3,339,525,000 in 1977.

The balance of trade deficit from January to October 1977 was $1,024,833,000 and $1,661,409,000 for the same period in 1978.

IMCE indicated that crude oil amounting to $337,589,000 was the principal export item for the period of the report.

Mechanical machinery, apparatus and tools amounting to $1,334,129,000 were the principal import goods for the January to October period.

INFORMEX also was told that there must be more savings in foreign exchange so that the little there is can be used to purchase products which definitely cannot be produced in Mexico, but everything else which can be produced in the short term should be done so immediately. Next year, the government must implement urgent measures of support,

incentive and facilities to all investments aimed at production.

PRESIDENT ROYO SPEAKS DURING CANAL ZONE TOUR

PA172149Y Panama City Circuito RPC Television in Spanish 1745 GMT 16 Dec 78 PA

[Text] President Aristides Royo made an official visit to Canal Zone installations this morning. Accompanying him were several ministers of state and directors of autonomous institutions.

The Panamanian president surprised the Panama Canal Zone administration authorities by arriving at exactly 0800, 30 minutes earlier than scheduled, at the maritime control center located in La Boca. Royo and his party were received by Canal Zone Governor Harold Parfitt, U.S. Ambassador Ambler Moss and Gen Dennis McAuliffe, who immediately introduced him to official Eric Espino, chief of the maritime traffic control center. During his tour, President Royo was briefed on the way this office, which has been using a computer system for only a little over 1 year, operates.

According to the briefing, the maritime traffic control system receives information on the passage of ships 36 hours in advance. This information is then recorded by means of television monitors. This system replaces the manual method formerly used at the office, located above the port office on pier 18.

President Royo and his party were very interested in the briefing provided on traffic through the Panama Canal. He said that, in principle, the control operations seemed uncomplicated.

Foreign Minister Dr Carlos Ozores Typaldos, Planning and Economic Policy Minister Gustavo Gonzalez, Finance and Treasury Minister Ernesto Perez Balladares, Executive Director of the Canal Authority Commission and Director of the Institute of Hydraulic Resources and Electrification Edwin Fabrega, Port Authority Director Capt Pablo Duran, Cerro Colorado General Manager Rodrigo Gonzalez, and advisers for the implementation of the Panama Canal treaty Fernando Manfredo, Gabriel Lewis Galindo, Arturo Morgan Morales and Omar Jaen were among the officials who accompanied President Aristides Royo.

Immediately after the visit to the maritime traffic control center, the president and his party visited drydock No 1, where they were briefed on the operations required to fill the dock with water, a process that lasts about 30 minutes.

President Royo also visited Ancon Hill, where he held a dialog with the canal administration authorities and made general statements about a number of projects involving the hill, which is a symbol of Panamanian sovereignty. [as heard] Among other things, the president suggested the erection of a monument there in honor of Poetess Amelia Denis de Icaza.

Taking advantage of his first official presidential visit to the canal installations, Dr Aristides Royo delivered a short but significant speech before the Canal Zone authorities and the group of ministers of state and newsmen who accompanied him during his visit. The following are the president's words:

[Begin recording] We are very pleased to be here at Balboa Port this morning for a close look at the progress made in the work that the technical commissions, made up of representatives of Panama and the United States, are currently carrying out with great efficiency and harmony. We have already gained much experience in cooperation within the spirit of friendship and peaceful coexistence that framed the canal treaty negotiation. In the coming months we will continue to expand this experience so that together we can exercise our responsibilities and guarantee the perfect operation of these installations and the service so efficiently rendered here at present.

During this Christmas season, which is the best season for happiness and peace for our two Christian peoples, these two friendly communities--Panamanians and North Americans in the Canal Zone--we should look toward the future with constant hope and confidence. President Carter and General Torrijos committed themselves before our peoples and the entire world to building a new relationship between Panama and the United States. We will continue to be inspired by this same spirit and fully assume the commitment of continuing to strengthen this new relationship based on mutual respect, tolerance and dignity.

I would also like to avail myself of this opportunity to congratulate all Panamanians and North Americans who have worked with zeal and optimism in the preliminary tasks of implementing the Panama Canal treaty and in strengthening a relationship of peace, harmony, friendship and justice.

To the Panamanian workers in the Canal Zone, we would like to express our willingness to comply with the commitments made in the treaty in order to, inasmuch as possible, preserve their present labor status and be prepared to assume our contractual obligations in such a manner that we can feel proud of our country. To the North American workers and residents of this area, we would also like to reiterate our willingness to receive them cordially, as we have traditionally received foreigners who, for almost 500 years of our history, have lived together with us in peace and tranquillity. The Panamanian people are tolerant and friendly, and these qualities, which are becoming increasingly rare in this tormented world, remain unaltered in Panama.

We know about some of the concerns that the North Americans have [words indistinct] and of Panamanians also. On this occasion we would like to say that through understanding and dialog we can resolve many [words indistinct]. We in the executive branch are willing to talk. We know that the Panamanian (?vice ministers) commission, which is currently working with the North Americans [words indistinct]. [end recording]

PRESIDENT ROYO VIEWS ESTABLISHMENT OF U.S.-PRC RELATIONS

PA162332Y Buenos Aires LATIN in Spanish 2047 GMT 16 Dec 78 PA

[Excerpt] Canal Zone, Panama, 16 Dec (LATIN)--Panamanian President Aristides Royo said here today that the establishment of diplomatic relations between Washington and Peking is a demonstration of the "political independence which the North Americans have." He emphasized that "the United States could not continue to ignore a country with 800 million inhabitants." Royo was questioned by the international press during his first official visit to the Canal Zone, which he visited this morning to evaluate, together with U.S. authorities, the process of the implementation of the Torrijos-Carter treaties.

Queried on the present state of the relations between the United States and Cuba, Royo expressed hope that an understanding could be reached in the framework of bilateral action between Washington and Havana.

PRESIDENT ROYO TO ATTEND NONALINED SUMMIT IN CUBA

PA151609Y Panama City MATUTINO in Spanish 15 Dec 78 pp 1A, 8A PA

[By Francisco Castaneda]

[Text] Panamanian President Aristides Royo will attend the nonalined meeting that will be held at the end of September 1979 in Cuba. The meeting will be attended by the chiefs of government of all those countries that do not consider themselves alined ideologically, politically or economically with either of the world power blocs headed by the United States and the USSR.

According to reports obtained from the Panamanian Foreign Ministry, Panama will also participate in events celebrating the anniversary of the Cuban revolution.

Replying to a question on Panama's current foreign policy, Vice Foreign Minister Juan Manuel Castulovich said that all of the foreign policy positions expressed by former Foreign Minister Nicolas Gonzalez-Revilla at the Belgrade meeting of nonalined ministers in July continue to be valid.

NATIONAL GUARD HOLDS EVALUATION MEETING

PA150442Y Panama City Domestic Service in Spanish 2230 GMT 14 Dec 78 PA

[Report by correspondent Mario Adams from the Panamanian National Guard public relations department in Panama City--presumably live]

[Text] On the occasion of the National Guard day festivities and the celebration of the year's end, Gen Omar Torrijos Herrera and his general staff called all the zone, post and military service chiefs to an evaluation meeting which was held today at the Tinajitas garrison meet hall.

The meeting falls within the general staff and command policy of learning about the institutions' internal problems from the unit chiefs and, at the same time, informing them about the country's general problems. On this occasion, Commander in Chief Gen Omar Torrijos Herrera reasserted the obedience to and support for the civilian government and the total support, with all the human and material resources of the armed institution, to the national development programs.

Regarding the approaching National Guard day, General Torrijos congratulated the commanders and officers who have supported him during the past decade in the task of turning the institution into an armed force at the service of the real national interests, with a new development concept, close to the people and as part of the community.

The chiefs of staff then covered matters related to their respective units, giving information on their operations. The chiefs of military zones, posts and services then spoke of the problems related to their posts and requested a greater degree of professional training for their men, keeping as their main goal the task of serving the people and giving them protection and public security with the greatest possible efficiency.

The meeting was attended by General Torrijos, Chief of Staff Col Florencio Florez and the entire general staff. It was also attended by the chiefs of the various military zones, posts, combat companies, and services and general staff auxiliary officers.

GENERAL TORRIJOS RECEIVES U.S. OFFICIALS

PA160434Y Panama City Domestic Service in Spanish 2230 GMT 15 Dec 78 PA

[Report by Sgt Nino Saavedra Atencio from the public relations office of the Panamanian National Guard--presumably recorded]

[Text] This morning, Gen Omar Torrijos Herrera, commander in chief of the Panamanian National Guard, received Gen David Jones, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces, in his office at headquarters. Gen David Jones was accompanied by His Excellency Ambler Moss, U.S. ambassador to Panama, and General McAuliffe, chief of U.S. forces stationed in the Canal Zone. Present with General Torrijos was Col Florencio Florez, chief of staff of the Panamanian National Guard.

The visit of the chairman of the U.S. Joint Chiefs of Staff reflects the Pentagon's interest in promoting close inter-American cooperation among the armies of the countries of this hemisphere.

After a lengthy meeting, during which matters of interest to the two countries were discussed, General Torrijos introduced his guest to the lieutenant colonels who make up the general staff of the National Guard. General Jones noted his gratification at seeing that the National Guard is made up of highly qualified young personnel at all levels. He was impressed by the close cooperation which has already been established between the National Guard and the Southern Command in preparation for the implementation of the Torrijos-Carter treaties and the upcoming exercise by Panama of full sovereignty over the former Canal Zone.

COMMENTATOR VIEWS DISMISSAL OF GOVERNMENT EMPLOYEES

PA181402Y Panama City Radio Hogar in Spanish 1230 GMT 18 Dec 78 PA

[From the "Radioperiodico Conciencia" program by Milciades Ortiz]

[Text] Massive government dismissals are expected in January. President Royo, with great human sensitivity, has asked the Presidency Ministry to issue a directive postponing the dismissals of government employees in December, the month of the mother's day and Christmas holidays. But the fact is that the dismissals will be made in January, February and March, this news program has determined. Those sectors most affected will be the municipalities and independent government agencies, but there will also be some dismissals in the ministries. Some of these dismissals will be done while employees are on vacations, which will be obligatory during the summer months.

There are two causes for the dismissals: The inclusion in the state bureaucracy of the thousand and one proteges of the new honorable corregimiento representatives, and also the "boys" of the new ministers and heads of independent government agencies. In addition, some dismissals will actually provide jobs for influential persons in the Democratic Revolutionary Party.

But these dismissals can be stopped if there is effective action on the part of what is called the fourth estate, that is, the press. However, some say that there will be even more dismissals in certain newspapers--where some persons were retired prematurely. The fact is that General Torrijos' administration was at least characterized by the fact that government employees were not fired and had job stability. If the new government returns to the traditional policies practiced before 1968, with the feared mass dismissals and hirings, it will be discarding one of the good aspects of General Torrijos' administration, which will be ill-received by many Panamanians.

BRIEFS

TOKYO BANK LOAN--The national government signed an agreement with the Bank of Tokyo in New York recently by which the bank granted a loan of $75 million to Panama for urban renewal, housing and electrification projects. [Panama City Domestic Service in Spanish 2230 GMT 15 Dec 78 PA]

TREASURY REVENUES INCREASE--Panamanian Comptroller General Damian Castillo has disclosed that a total of $340.6 million were collected by the treasury in the first 11 months of this year. This is an increase of 14 percent over the previous year. [Panama City LA REPUBLICA in Spanish 14 Dec 78 pp 1-A, 10-A PA]

COSTA RICA

RADIO RELOJ REPORTS TRAVEL RESTRICTIONS IMPOSED BY NICARAGUA

PA181548Y San Jose Radio Reloj in Spanish 1200 GMT 18 Dec 78 PA

[Text] The Somozist government has imposed restrictions on travel to the south of the country. Our correspondent in Nicaragua, Luis Hernan Bustamante, has reported that there is great tension in the area of the Costa Rican border because a series of restrictions have been imposed. Citizens can travel to the southern border only with military permission although there is no curfew. This is a result of the clash that took place in southern Nicaragua between guerrillas and the National Guard.

INTERIOR MINISTER RELATES CAPTURE OF SANDINISTS

PA190300Y Panama City ACAN in Spanish 2325 GMT 18 Dec 78 PA

[Text] San Jose, 18 Dec (ACAN-EFE)--Two members of the Sandinist National Liberation Front (FSLN) entered Costa Rica territory [as received] and seven others turned themselves over to the Costa Rican Civil Guard yesterday. Costa Rican Interior Minister Juan Jose Echeverria said that the wounded are receiving medical attention in the hospital in Liberia, Guanacaste Province. The guerrillas were wounded in clashes with the Nicaraguan National Guard very near the border with Costa Rica over the weekend. Those captured in Las Vueltas, located near the Penas Blancas border post, carried modern automatic rifles, old carbines and revolvers.

Echeverria said that since May, 422 Nicaraguans of all ideologies have been deported. They included Sandinists, rightists, Somozists, communists, infiltrators (informers) and others. He also indicated that in the cleanup operation in search of Sandinists in Costa Rica, the Civil Guard has recovered a few weapons in various areas of Guanacaste.

COMMENTARY CONGRATULATES U.S. ON PRC RECOGNITION

PA181926Y San Jose Radio Reloj in Spanish 1730 GMT 18 Dec 78 PA

[Unattributed commentary]

[Text] We congratulate the U.S. Government and President Carter's administration for their decision to recognize the Communist Chinese regime. It was a de facto situation that could no longer be ignored. It was painful, like the Vietnam decision, but we must move toward a world of peace, respect and understanding. Taiwan must also subsist. Recognizing Communist China does not mean eliminating Taiwan or admitting the possibility of a future invasion of conquest, for Taiwan has given evidence of its energy and industriousness. We must accept the fact that both Chinas are part of the world in which we live.

REFINERY PRESIDENT COMMENTS ON OIL PRICE INCREASE

PA182102Y San Jose Radio Reloj in Spanish 1730 GMT 18 Dec 78 PA

[Statement by Fernando Ortuno, executive president of the Costa Rican Oil Refinery, made on 17 December--recorded]

[Text] It is with great pleasure that I make these statements for Radio Reloj on the decisions made yesterday by the oil-producing members of the Organization of Petroleum Exporting Countries [OPEC].

First, I must say that for us the news came as something of a surprise because we had not been expecting such a marked increase, particularly after the statements made by U.S. Treasury Secretary Blumenthal, who had traveled through the Arab countries. He gave us the impression that an agreement had been reached not to exceed an 8-percent increase. Furthermore, it looked as if Saudi Arabia was in favor of a 5-percent increase. The fact that the Arab or, rather, the oil producers have decided to go as high as 14 percent is both surprising and disquieting.

All of this is based on the dollar's devaluation, and it would seem that the producing countries are not only covering the devaluation of the U.S. currency, which they have maintained as parity in connection with oil prices, but that they are also insisting on a real increase of the prices of their products.

I am scheduled to leave tomorrow for Curacao and Venezuela to negotiate the prices of Costa Rica's imports for the first quarter of next year. It will not be until after I return that we will be able to have a clear view of the way in which the price of fuels will be affected in Costa Rica.

I would also like to stress that it is the price of the crude which has been set in Abu Dhabi. Costa Rica buys approximately 55 percent of its needs in the form of crude oil and the remaining 45 percent in the form of refined products. I must note that the prices of refined products are not subject to OPEC decisions. Producers set the prices of crude products but the prices of refined products are closely connected with industrial costs, particularly on the basis of supply and demand.

Personally, I am very concerned over next year's prospects for supplies at market prices, particularly in view of the very difficult situation that Iran, one of the world's great oil producers, is experiencing. Restricting the supply may also lead to a higher increase in the price of the products that we import into Costa Rica.

In effect, the Arab countries have two very powerful weapons in their hands to establish the prices of oil derivatives: One is their periodical setting of the prices of crude oil and the other the supply they inject into the market. The very fact that Saudi Arabia has restricted production and that Iran is experiencing such a difficult situation that it has reduced production will lead to an oil shortage on the market which in turn may lead to an increase in the price of refined products.

I will return on Saturday, and early next week we will present the president and the economy and industry minister with a complete report that will include our recommendations after having concluded our negotiations with Shell in Curacao and with Maraven [Maracaibo Oil Company] in Venezuela. It will be only after that that the executive branch will set the new prices for next year.

EL SALVADOR

FOREIGN MINISTER ON TIES WITH BOLIVIA, HONDURAS

PA181603Y San Salvador LA PRENSA GRAFICA in Spanish 9 Dec 78 pp 5, 52 PA

[Excerpts] Salvadoran Foreign Minister Jose A. Rodriguez Porth announced yesterday that El Salvador's recognition of the new Bolivian Government was sent last Monday.

The foreign minister said that cordial relations exist with the Bolivian people and government and that these have been increasing lately with the establishment of a diplomatic representation in that South American nation.

"It was not exactly a recognition of the new government but a confirmation of the existing good, friendly relations," Rodriguez Porth said.

Rodriguez Porth noted that evidence of the good relations existing between both countries is the signing of an agreement by which 500 Salvadoran peasants will be given farm lands in Santa Cruz and other parts of Bolivia. The Bolivian Government will provide facilities for the Salvadoran immigrants to establish themselves and start a new life.

The agreement has been ratified by the Bolivian Congress, he added, and the Salvadoran Legislative Assembly is studying the agreement and will soon ratify it.

The foreign minister disclosed that a preparatory meeting for the delivery of the latest document, known as a rejoinder [duplica], was held a short time ago in Lima, Peru, with mediator Jose Luis Bustamante y Rivero and the Honduran delegates.

"Our government and our people have every wish to find a solution to the differences with Honduras and to again strengthen the bonds of fraternity and friendship which have always existed," Rodriguez Porth said. He added that at a previous meeting in Lima, the latest document of the first phase of the mediation agreement was discussed. The delivery of the document will be on 17 January.

The meeting was attended by Honduran Deputy Foreign Minister Jose Ramos Hernandez Alcerro. The final, oral phase will come after this delivery. There will be meetings between both foreign ministers in Peru and then the mediator will issue his recommendations.

KIDNAPED UK BANKERS REPORTEDLY IN GOOD HEALTH

PA160442Y Panama City ACAN in Spanish 2245 GMT 15 Dec 78 PA

[Text] San Salvador, 15 Dec (ACAN-EFE)--Ian Massie and Michael Chatterton, executives of the Bank of London and South America Ltd who were kidnaped by the Armed Forces of National Resistence [FARN], are well. The extremist group sent proof to the Salvadoran bank branch that both are still alive after 16 days of being held at some unidentified location in this Central American country. The bank informed the FARN today, Friday, that "it was completely satisfied with the proof sent regarding the good health of Massie and Chatterton."

It was learned here that the FARN is demanding as ransom the release of several political prisoners which the government claims not to have detained, $5 million in cash and the publication of several manifestos.

The publication of extremist communiques is prohibited in El Salvador by the Guarantee and Defense of Public Order Law, approved by Congress last year to halt the growing terrorist activities.

The FARN is also holding Fritz Schiutema, Dutch manager of the Phillips Company in El Salvador, and Takakazu Suzuki, manager of the Synthetics Industries of Central America textile plant created by Japanese and Salvadoran capital.

FARN DEMANDS PRISONER EXCHANGE FOR KIDNAPED EXECUTIVES

PA181242Y Paris AFP in Spanish 2020 GMT 17 Dec 78 PA

[Excerpts] San Salvador, 17 Dec (AFP)--The guerrilla group known as the Armed Forces of National Resistance (FARN) demands the release of five political prisoners in exchange for the four foreign executives kidnaped between November and December, it was revealed here today by San Salvador Archbishop Msgr Oscar A. Romero.

The prelate made the announcement during his Sunday homily at this capital's cathedral, but he was speaking as a member of the negotiating committee in the kidnaping case.

The political prisoners whose freedom is demanded by the FARN include Professor Manuel Rivera and Lil Milagro Ramirez, a student, both charged with being members of another clandestine group known as the Popular Forces of Liberation (Fuerzas Populares de Liberacion--FPL), the prelate added.

Another condition for the release of the kidnaped executives is the publication in Salvadoran newspapers of a FARN political proclamation, already published by newspapers in over 40 countries.

The firms of the kidnaped executives told Archbishop Romero that they are willing to meet another demand by the FARN involving a ransom of over $4 million, the Catholic official said. However, Salvadoran President Carlos H. Romero so far has refused to receive the negotiating committee and remains silent on these cases, it was reported.

ARCHBISHOP ROMERO SCORES GOVERNMENT'S JUDICIAL SYSTEM

PA181242Y Panama City ACAN in Spanish 2058 GMT 17 Dec 78 PA

[Text] San Salvador, 17 Dec (ACAN-EFE)--San Salvador Archbishop Msgr Oscar Arnulfo Romero y Galdamez, in revealing the existence today of a political prisoner who sought asylum at the Mexican Embassy in San Salvador, criticized the Salvadoran judicial system.

The prelate said that Francisco Baltazar Campos Mendoza, who left for Mexico on Saturday, 9 December as a refugee with the appropriate safeconduct issued by the Salvadoran Foreign Ministry, made serious revelations that were reproduced by the weekly newspaper ORIENTACION published here by the curia. He added that the charges made by Campos Mendoza prove the "inefficient application of the right to demand personal appearances [of witnesses], the illegal use of drugs during questioning and the inability to disqualify extrajudicial statements." He also described as "unjust and arbitrary" the Salvadoran penal code provision that admits as evidence an extra-judicial confession made at the security corps and before witnesses chosen by the captors.

Monsignor Romero recommended the repeal of the Law of Guarantee and Defense of Public Order, in effect in El Salvador since December 1977 to contain the growing terrorist wave.

He also asked for the right of all Salvadoran sectors to demand the release of missing and political prisoners whom the government has often claimed to know nothing about.

In his homily, the leader of the Salvadoran Catholic Church also expressed his solidarity with the Chilean church which, he said, has serious problems with the government in its struggle on behalf of human rights. He declared that the church, mainly the Santiago archbishop, has been branded as communist by the government. He dismissed that charge, saying that this was the name given to all those who fight for the rights of the dis-possessed.

BRIEFS

BOND ISSUANCE--The Salvadoran Legislative Assembly has authorized the executive branch to issue bonds for 200 million colones to finance public investment projects in the 1979 national budget. The bonds will be for 15 years at 8-percent interest. [San Salvador LA PRENSA GRAFICA in Spanish 13 Dec 78 p 3 PA]

GUATEMALA

ARMY ON ALERT DUE TO NEW UK BASES IN BELIZE

PA190327Y Paris AFP in Spanish 0305 GMT 19 Dec 78 PA

[Text] Guatemala City, 18 Dec (AFP)--It was reported here today that the Guatemalan Army has been placed on alert following the receipt of official reports that Great Britain has set up two new military bases in Belize. National Defense Minister Gen Otto Spiegeler Noriega said that the Guatemalan Armed Forces "have taken and will continue to take steps to protect our territorial sovereignty."

DIPLOMATIC RELATIONS WITH TAIWAN TO CONTINUE

PA190356Y Panama City ACAN in Spanish 1757 GMT 18 Dec 78 PA

[Text] Guatemala City, 18 Dec (ACAN-EFE)--Guatemala will continue to recognize Nationalist China (Taiwan), Foreign Minister Rafael Castillo Valdes announced today. Castillo Valdes met this morning with Nationalist China's Ambassador Mao Chi-hsien to communicate to him the Guatemalan Government's decision to maintain diplomatic relations with Taiwan. The Guatemalan foreign minister did not comment on U.S. President Jimmy Carter's decision to establish diplomatic relations with the PRC. Castillo Valdes said that Guatemala has fostered cordial, friendly relations with Nationalist China which will remain unaltered. Taiwan's ambassador thanked the Guatemalan Government for its gesture, noting that Nationalist China "will remain a bulwark of democracy in the world despite the treachery of the United States."

PRESIDENT ROMEO LUCAS ORDERS REGISTRATION OF NEW PARTY

PA161704Y Paris AFP in Spanish 0212 GMT 16 Dec 78 PA

[Text] Guatemala City, 15 Dec (AFP)--Guatemalan President Romeo Lucas has ordered the electoral registry to register the National Unity Front party [Frente de Unidad Nacional--FUN], whose leader is former President Col Enrique Peralta Azurdia. In announcing the registration of the FUN, Lucas said that it represents the democratic opening which he promised during his electoral campaign. Peralta Azurdia, who participated in the latest presidential elections, was Lucas' strongest opponent. Peralta Azurdia even filed various appeals to annul the latest elections because he felt that the results which gave the victory to Romeo Lucas had been tampered with.

There will be six political parties operating in Guatemala with the registration of the National Unity Front. The Christian Democracy, the Revolutionary Party, the Democratic Institutional Party, the National Liberation Movement and the National Renewal Party [Partido de Renovacion Nacional--PRN] are those currently operating.

HONDURAS

FORMER PUBLIC OFFICIALS REJECT FRG COMPENSATION TREATY

PA161631Y Panama City ACAN in Spanish 2340 GMT 15 Dec 78 PA

[Text] Tegucigalpa, 15 Dec (ACAN-EFE)--Distinguished former Honduran public officials today, Friday, rejected an agreement between the governments of Honduras and the Federal Republic of Germany [FRG] which ended the problems remaining between the two countries as a result of World War II.

Honduras declared war on Germany in 1940, thus becoming one of the victorious allies at the end of the war. The government at that time expropriated the property of German citizens. German businesses in Honduras lost many of their assets to their local partners. According to the agreement signed by the FRG's ambassador to Honduras, Carl Boehncke, and Foreign Minister Ramon Hernandez Alcerro, Honduras will pay 2 million marks (approximately 1.6 million lempiras) as compensation to those Germans who were affected by these actions during World War II.

Former President Ramon Ernesto Cruz said that the agreement is "harmful to national interests because Honduras is under no obligation to pay an indemnity to Germany "since our country was one of the victorious countries in the war." Cruz, an expert in international law, recalled that according to the agreement signed in Yalta, the Germans, after their defeat, committed themselves before the nations that participated in the conflict to pay indemnities to their own people.

Manuel Acosta Bonilla, a former finance minister of tne military regime, said that it is the FRG which must compensate Honduras, and not the other way around, since the economic blockade and other damages suffered by this country 33 years ago were the result of the decisions of the "deadly Hitler regime."

Acosta Bonilla added: With the signing of the treaty "Honduras appears to have capitulated and to have been defeated by Germany in World War II." Acosta Bonilla added that the agreement "seriously harms the nation's sovereignty and that it is more regrettable that it has been signed under a military government."

The FRG Government had made requests for an arrangement of this type to other Honduran administrations, which rejected them, believing that they contradicted national interests. Former President Cruz, who was overthrown by the military in 1972, had been struggling for several decades against the signing of such an agreement. He had opposed through arguments of international law.

BRIEFS

INTERNATIONAL RESERVES--16 Dec (AFP)--The Honduran Economy and Commerce Ministry has released a bulletin stating that Honduras has gross international reserves of $200 million with which it can cover half its foreign debt without problems. The bulletin said that the Honduran economy is enjoying a bonanza, keeping in mind that Nicaragua can barely cover 14 percent of its foreign debt with i's gross international reserves. [Paris AFP in Spanish 2218 GMT 16 Dec 78 PA]

NICARAGUA

NINE CLASHES REPORTED SINCE IMPLEMENTATION OF AMNESTY LAW

PA182153Y Paris AFP in Spanish 2110 GMT 18 Dec 78 PA

[By Horacio Ruiz]

[Text] Managua, 18 Dec (AFP)--Nine clashes between guerrillas and the army, with a toll of four dead, have been reported in several parts of Nicaragua despite the implementation of the amnesty law last Friday. Negotiations among the Broad Opposition Front (FAO), an international mediation commission and the (ruling) Liberal Party on the holding of a plebiscite to determine if President Anastasio Somoza should remain in power or step down have not helped end political violence either.

A guerrilla identified as Jose Talavera Salinas died during a clash with military patrols in the southeastern part of the capital. According to the official army report, he was killed when he resisted arrest. It is also reported that many weapons were found in the house where he was killed. He was also accused of entering the country illegally from Cuba recently.

David Martinez, chauffeur of the presidency's private secretary Edgar Solano Leguna, was killed in Masaya, 30 km east of Managua. It is presumed in military circles that the attack was staged by Sandinists who wanted to kill Solano, one of the men who is in close contact with President Anastasio Somoza. The attack took place while Solano presided over a ceremony during which the government delivered toys to the children of the Indian ghetto of Monimbo, where bloody fighting between the army and civilians took place last September.

Two men, supposedly members of paramilitary groups, were shot to death in Granada, 50 km east of the capital. According to official sources, the attack was staged by Sandinist Front members.

Armed clashes between army patrols and groups of armed civilians also took place in the Province of Leon, 90 km west of Managua. The reports did not say if either side sustained casualties during the fighting.

Casualties in Border Clashes

PA182152Y Panama City ACAN in Spanish 2106 GMT 18 Dec 78 PA

[Text] Managua, 18 Dec (ACAN-EFE)--One soldier and nine revolutionaries were killed at noon today during two clashes between a Sandinist Front column and Nicaraguan National Guard patrols. Three more soldiers were hurt and taken to the military hospital in this capital, according to reports by the Nicaraguan guard's Legal and Public Relations Office. The fighting took place at the points known as Puerto Caminos and La Mancuerna, close to the southern border. The military report identified the dead soldier as Porfirio Gomez. The nine casualties in the international brigade that came from Costa Rican territory, as reiterated by this country's officials, have not been identified. "The troops that are watching over the defense of the national sovereignty are still patrolling along the border with Costa Rica," the military communique signed by Col Aquiles Aranda Escobar says.

SOMOZA URGES NEWSMEN TO TELL TRUTH, MAINTAIN PEACE

PA170102Y Managua Domestic Service in Spanish 1809 GMT 16 Dec 78 PA

[Speech by Nicaraguan President Anastasio Somoza Debayle at Press and Information Secretariat of the Presidency of the Republic in Managua on the occasion of homage paid to him by the National Newsmen's Association for his recent birthday and the upcoming Christmas and New Year's celebrations--live]

[Excerpts] I want to congratulate each and every one of you, the members of the National Newsmen's Association, because today we see the nerve, grace, and pride that each Nicaraguan possesses to be able to stand out in journalism and writing. This fills not only a party but a nation with pride, a nation which has public liberties for the common good of all.

This meeting reminds me of all the siren songs composed by numerous persons before Fidel Castro reached power, persons who thought that Castro was going to implement a democracy. One of those men who helped Castro a great deal and who at the same time was terribly opposed to the liberal revolution--because he was confused--visited me here in Nicaragua some time ago. The name of that man was Miguel Angel Quevedo. He was the owner and director of BOHEMIA.

I invited him to lunch and during his narration of his life he told me in a pompous way, as a newsman and the owner of BOHEMIA magazine, that he had had an impact in Cuba and in all of Latin America. He told me how much power he had in Cuba and how much money he made in Cuba. It was this kind of person that Fidel Castro used to reach power because Quevedo also told me that he depicted Castro in the pages of the magazine as the redeemer of the Latin Americans. I was sad to see how this man, who supposedly was fighting for Cuba's public liberties, was completely divorced from his own liberties in his country at the time that he was standing before me.

I bring Miguel Angel Quevedo to mind because I think it is necessary for Nicaraguans to study Quevedo's story so that we will not make the mistakes he made, not make mistakes based on hatred, which completely distorts our view of the immediate future. Let us not make the mistake of thinking that solutions in a country such as Nicaragua will come the day after tomorrow. Let us not make the mistake of listening to siren songs which in the end turn out to be liturgies of strait jackets [as heard].

Out of the hundreds of magazines there were in Cuba, there are only two left. From the real freedom they used to have, the Cuban people now live in a divided society, one which lives in Cuba and the other which was evicted by the existing regime. From a progressive country, Cuba is now a regressive country. From a happy people, we now find a sad people without an outlook for the future other than paying back to the Russian bear what it was able to give Cuba. A country which could be freely visited is today a concentration camp, a country in which a struggle for the release of political prisoners still exists today but with no one to demand it for them.

Today, on meeting with you, I, as a politician, will take this opportunity to show you that we must think about and reflect upon our future political behavior because we must size up, as the situation requires, the life that we will be living in 10 years. Gentlemen, the fact that I have proposed an amnesty in Nicaragua is because amnesty is an instrument which the Western and democratic societies developed to peacefully reunite society. Gentlemen, amnesty does not exist in communist countries. [applause]

Therefore, today I will speak to you about the importance of the amnesty. The amnesty is a political gesture on my part and on the part of my government and the Nationalist Liberal Party aimed at telling all Nicaraguans that we work in this manner because we want to continue living in a country where the democratic and constitutional guarantees stand out, where the Liberals can do as we please within the constitution, where the right to protest is never lost and where the practice of being pardoned by one's opponent is never lost when one makes a mistake and that opponent has the same political philosophy. [applause] This is the difference between those who think democratically and those who want to subjugate the people by force.

Today, all Nicaraguans who love peace, who believe in the democratic system, who believe in public liberties welcome this amnesty, which represents the unanimous will of all Nicaraguans who believe in and care for democracy and who have a devotion to freedom. In contrast, those who want to subdue the people through attacks, murders, blackmail, kidnapings, deaths, fires and terrorism say that they will not seek shelter under this amnesty. I want to clearly tell Nicaraguans--Liberals or Conservatives, Christians or free thinkers--that those people who do not welcome the amnesty merely want to subjugate us by force so that the Nicaraguans will be slaves, just as Cuba is the slave of the Marxist-Leninist doctrine today. [applause]

The truly patriotic newsmen and the truly nationalistic radio reporters are those who from now on must set the climate so that all differences will be settled in Nicaragua through civic action, peace and elections.

You have the greatest responsibility because when I was chosen as a candidate, I said that the pen has more power than the rifle. That is why, gentlemen, I urge newsmen, writers and reporters to think of the Nicaraguan people, who deserve a true peace, a Nicaragua where there are guarantees, a chance to work without the fear of being attacked. That is why, newsmen, I tell you that the best gift you can give the Nicaraguan people is to speak the truth and maintain peace. Thank you.

GOVERNMENT DENIES PLAN TO KILL GROUP OF 12 MEMBERS

PA151456Y Panama City ACAN in Spanish 0012 GMT 15 Nov 78 PA

[By Filadelfo Martinez of ACAN-EFE]

[Excerpt] Managua, 14 Dec (ACAN-EFE)--A Nicaraguan Government spokesman denied today that a plan to kill the "12," a group of opponents of President Anastasio Somoza's regime, was being carried out. Carlos Tunnerman Berheim, former rector of Nicaragua's Autonomous National University and a member of the Group of 12, announced in Costa Rica the existence of a Somozist plan called "Operation Apostle" to eliminate them. The Nicaraguan leader, who lives in San Jose, said that Somoza himself is involved in the execution of the plan along with two National Guard officers, whom he did not identify, and Reinaldo Palacios Miranda.

In Managua, Nicaraguan Press and Information Secretary Rafael Cano said that Reinaldo Palacios Miranda is in no way connected with the Nicaraguan Government. "He is known only because he was on the list of exiles at the Mexican Embassy," the official spokesman said. He added that the Group of 12 is searching for international publicity by denouncing "Operation Apostle" or is trying to become recognized by the Nicaraguan politicians. The government spokesman added that "the whole Group of 12 will be able to circulate freely anywhere in Nicaragua or wherever they want to when the amnesty law becomes effective."

FAO COMMISSION TO MONITOR COMPLIANCE WITH AMNESTY

PA182303Y Bluefields Radio Atlantico in Spanish 1800 GMT 18 Dec 78 PA

[Excerpt] The Broad Opposition Front [FAO] has appointed a commission to visit jails and learn to what extent the government has complied with the amnesty decreed on Friday in favor of political prisoners. FAO spokesman Javier Zavala has said that compliance will reveal the government's good faith in facilitating negotiations that will lead to the peaceful solution of Nicaragua's problem.

The OAS mediation commission believes that the government has met the opposition's minimum demands by suspending the state of siege and martial law and by granting a broad amnesty to benefit political prisoners. Essential steps have also been taken to eliminate the repression of freedom of the press by abrogating or replacing the current radio and television code which regulates press information by electronic means. [sentence as heard]

BRIEFS

CONTROL OF COFFEE RUST--The Agriculture and Livestock Ministry, after assessing the results of the campaign to eradicate coffee rust, has noted that the incidence of the disease in November of this year was 54-percent less than in November 1977, indicating that efforts to eliminate the disease are bearing fruit. [Managua Domestic Service in Spanish 1255 GMT 17 Dec 78 PA]

CHINESE LEADERS CALLED BETRAYERS OF SOCIALISM

FL182050Y Havana Domestic Service in Spanish 1800 GMT 18 Dec 78 FL

[Revolutionary Armed Forces and Interior Ministry "Combatants' Political Information Program" commentary]

[Text] The Chinese leaders' policy of betraying socialism, the revolutionary cause and their own people continues to be consummated. Last Friday's simultaneous announcement by Carter and Hua Kuo-feng in Washington and Peking, respectively, of the establishment of diplomatic relations as of 1 January 1979 is related to this betrayal by China.

It is normal--and peoples do want--that there be the best of relations between countries and that states maintain ties, regardless of social systems, based on mutual respect, reciprocal cooperation and noninterference in domestic affairs. But this is not the case in the announced establishment of Chinese-North American relations. This step is marked by a trail of events of an openly reactionary and bellicose spirit and of an alliance which demonstrates all the more scheming in aggression, subversion, provocation and deceit.

Recently China has expanded its ties with capitalist countries, especially with the United States and other members of the warmongering NATO. Peking has demanded from these countries the sale of weapons for a sum of money which absorbs a high percentage of its gross national product. Western militaristic circles are supplying China with aircraft, tanks, armored vehicles, missiles and other equipment, and several agreements have been signed as a result of the so-called military modernization undertaken by the Peking regime.

China's participation in supporting the reactionaries in Angola, its rapprochement with the positions of the South African racists, its backing for the treacherous policy of Egyptian president Anwar as-Sadat, its vicious alliance with the Chilean fascists, its tendency to slander and divide the nonalined countries movement and its shameless aggressive policy against Vietnam also are indications of the path taken by the Chinese leaders and of their relations.

In trips they have taken, the followers of Maoism have employed much dirty language full of anti-Sovietism. They have even said that the Soviet Union is the principal enemy of peoples.

At the United Nations the Chinese representatives likewise have assumed a reactionary position tied to imperialism and against the progressive and just decisions adopted by the majority of member countries. Moreover, the Peking mandarins support the arms race. They help to sabotage international detente. They say that war is inevitable and speak of the need for rearming and preparing for a third world war. In fact, the Chinese rulers support the U.S. intention to produce the neutron bomb. In essence, their policy and actions are contrary to the will of peoples in advancing toward a future of peace and progress.

It should be asked: Is the nature of the attitude and concepts of the Chinese leaders perhaps closely associated with their alliance with imperialism and reaction? In that case, what are the bases of Chinese-North American diplomatic relations? The mere fact that the establishment of relations was negotiated in the strictest secrecy indicates the essence of the decision. The North American position of ceasing to recognize the Taiwan regime, which it guarded and adopted for decades, and of recognizing the Peking government as representative of the Chinese nation is another indication of how much Chinese-U.S. interests have merged. It must be said that formalizing the reconciliation between Peking and Washington is no surprise. It has been pending a long time because rapprochement between the two countries has increased to the extent that the Chinese mandarins showed their political docility to imperialism.

ECONOMIC COOPERATION AGREEMENT SIGNED WITH IRAQ

JN171830Y Baghdad INA in Arabic 1805 GMT 17 Dec 78 JN

[Text] Havana, 17 Dec--Iraq and Cuba today signed here an agreement for economic cooperation. The agreement was signed for Iraq by 'Adnan Husayn, Revolutionary Command Council member and planning minister, and for Cuba by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers.

The signing ceremony was attended by Dr Sa'dun Hammadi, minister of foreign affairs; Isidoro Malmierca, Cuban foreign relations minister; Osvaldo Fuentes, vice president of the National Bank of Cuba; and the Cuban ambassador in Baghdad.

COSTA RICAN LEGISLATIVE ASSEMBLY MEMBERS END VISIT

FL181934Y Havana Domestic Service in Spanish 1915 GMT 18 Dec 78 FL

[Text] The delegation of Costa Rican national Legislative Assembly deputies which visited our country for 1 week left this morning for San Jose, the Costa Rican capital. Council of State member Raul Roa Garcia and Jose Aranaburo, vice president and secretary, respectively, of the people's government National Assembly, bade them farewell at Jose Marti International Airport.

CEREMONY MARKS PZPR FOUNDING ANNIVERSARY

FL151252Y Havana Domestic Service in Spanish 1200 GMT 15 Dec 78 FL

[Text] Fabio Grobart, member of the PCC Central Committee and president of the institute of history of Cuba's communist movement and socialist revolution, has presided at a ceremony held in Havana on the occasion of the 30th anniversary of the founding of the Polish United Workers' Party [PZPR] and the 60th anniversary of the Polish Communist Party.

The opening remarks were made by Rafael Polanco, deputy chief of the PCC Central Committee General Department of Foreign Relations. Another speaker was Ryszard Majchrzak, ambassador of the Polish People's Republic, who briefly described the history of that fraternal country's labor and communist movement. The closing remarks were made by Jan (Janizetti), political counselor of the Polish Embassy in Cuba.

UJC PATRIOTIC-MILITARY MEETING ENDS 14 DEC

FL150139Y Havana Domestic Service in Spanish 0000 GMT 15 Dec 78 FL

[Text] The Brigade Generals Sixto Batista Santana and Irving Ruiz Brito, both vice ministers and chiefs of political directorates of the Revolutionary Armed Forces [FAR] and the Interior Ministry [MININT], respectively, and members of the PCC Central Committee, have made special presentations at the closing ceremony of the first national meeting on exchanging experiences on work done by the Union of Young Communists--UJC--in the FAR and the MININT. Six proposals on the patriotic-military work done by the UJC were discussed at the meeting which met at the Julio Antonio Mella UJC cadre school in La Habana del Este [municipality].

In his remarks, Brig Gen Sixto Batista Santana pointed out the joint work carried out by the UJC and the FAR and the support provided by the youth organization in tasks in defense of the country. Sixto Batista added: [begin recording] With the same spirit that our youth have shown day by day in all of the heroic tasks of the revolution, with the same spirit by which they know how to fulfill missions and give their lives for other peoples, we should work with this same spirit to reach the objectives expected by our people's revolution. [end recording]

For his part Brig Gen Irving Ruiz Brito also said that the active participation of youth in the tasks assigned by the MININT were highly positive. Ruiz Brito added: [begin recording] In general there are many areas in which the [Interior] Ministry has the cooperation of the UJC, not only from the youth who are working day by day in the ministry but also youth in general. [end recording] The closing remarks of the meeting were made by Francisco Garcia, member of the UJC national bureau, who labeled the results of this exchange of experiences in the patriotic-military education work of the present and future generations as fruitful.

RODRIGUEZ TO VISIT PORTUGAL 20-22 DECEMBER

FL161330Y Havana Domestic Service in Spanish 1340 GMT 16 Dec 78 FL

[Text] Dr Carlos Rafael Rodriguez, member of the PCC Central Committee Politburo, will visit the Republic of Portugal from 20 to 22 December. The vice president of the Councils of State and Ministers will be going in response to an invitation of Gen Antonio Ramalho Eanes, president of the Portuguese Revolutionary Council.

WPC, NONALINED PREPARATORY MEETING OPENS IN HAVANA

FL152219Y Havana Domestic Service in Spanish 2203 GMT 15 Dec 78 FL

[Text] The international work meeting called for by the World Peace Movement [WPC] to prepare for the nonalined countries and WPC seminar, which is to be held in Jamaica in the first months of next year, has opened in Havana. The meeting is presided over by Elena Gil, vice president of the WPC and president of the Movement for Peace and Sovereignty of Peoples. The opening remarks were made by Clementina Serra, vice president of this organization, who in the name of the secretariat of the Cuban institution welcomed those attending. Clementina Serra noted the efforts being made by a people which for 22 years has been blockaded and harassed by North American imperialism, overcoming the great difficulties resulting from this.

CDR LEADER COMMENTS ON PROBLEMS OF SCHOOLS

FL150048Y Havana Domestic Service in Spanish 0000 GMT 15 Dec 78 FL

[Lucia Gonzalez report]

[Text] Jorge Lezcano, member of the PCC Central Committee and national coordinator of the Committees for the Defense of the Revolution [CDR], tomorrow will make the closing remarks at the national seminar on ideological, educational, cultural and sports work done by the CDR, which has been meeting since 12 December in this capital. Speaking at this morning session were Jose Ramon Fernandez, member of the Central Committee and vice president of the Council of Ministers, and Luis Orlando Fundora, chief of the PCC Central Committee Department of Revolutionary Orientation.

Fernandez referred to the valuable help provided by the CDR in tasks of educating children, youths and adults. And he also called on the CDR members to cooperate in solving some problems relating to school attendance and punctuality, correct use of the school uniform, daily studies and the struggle against cheating. He also asked for CDR help in seeing that the students graduate on time, that the battle for completion of the sixth grade continues and care for social property--specifically care of the books. In the afternoon session Jose Felipe Carneado, member of the PCC Central Committee and chief of its department of science, culture and teaching centers, spoke on the training of CDR cadres.

JAMAICA

ANTICRIME MEASURES EXTENDED; STATISTICS PROVIDED

FL161500Y Kingston DAILY GLEANER in English 13 Dec 78 pp 1, 21 FL

[Excerpt] Clear indications of "the frailty of the truce" in the western section of the corporate area were cited yesterday as one of the main reasons for extension of special measures under the Suppression of Crime Act which were later approved by the House of Representatives.

The existing special area orders, which would have expired on December 22, have been extended in Kingston, St Andrew, St James, St Catherine and the territorial seas for a further six months, but will not be reimposed for the rest of the island.

The Hon Keble Munn, leader of the House, presented the relevant motion on behalf of the Minister of National Security the Hon Dudley Thompson, who is ill.

Mr Munn explained that recent crime trends and the clear indications of the frailty of the truce made it necessary to extend the provisions as indicated.

The chief reasons for the decision were the recent discovery of increased criminal activity in the Wareika Hills; the increased murders and shootings in the truce areas; gangland activities in the corporate area, in particular the gun battle at the national stadium on Tuesday, December 5; the frequent movements of known criminals; and the approach of the festive season, with its traditional increase in criminal activities.

Mr Mann gave statistics on the current crime situation in which he said the illegal possession of firearms continued to be a major problem.

For the period June 1 to November 30, he said, 27 shotguns had been recovered, but 26 stolen; 22 pistols recovered and two stolen; 88 revolvers recovered and 31 stolen; and 975 rounds of ammunition recovered and 915 stolen.

Comparative statistics for the period June 1 to November 30 for the years 1977 and 1978 show this picture for Kingston. The number of murders moved from 85 to 58; rapes down from 93 to 68; robberies increased from 568 to 714; and shootings decreased from 254 to 139.

In St Andrew, for the same period, murders were down from 56 to 44; rapes from 113 to 106; robberies from 738 to 707; and shootings from 152 to 126.

In St Catherine, murders decreased from 24 to 11; robberies from 164 to 139; shootings from 83 to 35.

In St James, murders increased from 8 to 11; rapes decreased from 30 to 16; robberies increased from 99 to 129; and shootings were down from 41 to 27.

Mr Munn said there was a considerably increased level of public assistance to the police and there were clear signs that the situation was improving in favour of the security forces.

FOREIGN EXCHANGE SOURCES IDENTIFIED BY GOVERNMENT

FL141645Y Kingston DAILY GLEANER in English 11 Dec 78 p 1 FL

[Text] Government has identified sources from which it can get some $974 million out of a total foreign exchange need of $1.1 billion to finance essential imports such as food, oil, capital goods and raw materials over the coming year, Finance Minister Eric Bell said on Saturday night.

Mr Bell, in a reference to the International Monetary Fund, said Jamaica faces another test in three weeks' time, which he described as "a paper test."

The finance minister was addressing a long service award ceremony put on by Tropical Battery Company Ltd for its workers and those of Jamaica Metal Refining Company, a co-member of the Melcoe group of companies, at the Pegasus Hotel in New Kingston. The function was chaired by Mr Jerry Coombs, administrative manager of Tropical Battery Company.

Productive Sector

Mr Bell told the gathering that availability of foreign exchange was increasingly in the hands of the productive sector. There was, he said, a limit to which a governement or a minister of finance could go to a lending agency to borrow foreign exchange. Ultimately the capacity to earn foreign exchange "rests in your hands...in your ability to turn raw materials into finished products with value added," he said.

He said that for 1979 the government was reasonably confident that it would get from sources already identified, foreign exchange of some $974 million to spend on essential imports. But that amount was not sufficient to meet all the country's needs, and the only way that the country was going to make up for the difference between what was identified and what was needed was that enterprises would have to set their export targets to the very limit of their capacity, the minisiter said.

Certified Exporter

Mr Bell mentioned the introduction of the certified exporter status for which enterprises qualify by exporting at least 20 percent of their products. He said that the government was in discussions with the World Bank to see if a special certified exporters fund could be established with the aim of providing funds for the exporters.

Such funds would be separate and apart from the $974 million already identified and would seek to fill the gap between funds identified and funds needed. Altogether the country needed some $1.1 billion over the next year, he said.

DOMINICAN REPUBLIC

BUSINESSMEN REJECT BILL ON PROFIT DISTRIBUTION

PA151205Y Madrid EFE in Spanish 0223 GMT 15 Dec 78 PA

[Text] Santo Domingo, 14 Dec (EFE)--The national council of businessmen has asked the Senate to reject a bill which forces businesses to distribute 10 percent of their profits among their workers. The organization, which unites the country's industrial and business sectors, felt that the bill would cause labor-management conflicts and asked for a plain and simple rejection. The bill modifies a law issued by the previous government which provides for a bonus payment of up to the normal salary of a worker. However, labor sectors have been claiming that many businesses obtain benefits which would represent a greater distribution, of up to perhaps two or three salaries.

The Senate decided to stop the introduction of the bill and sent it to two senatorial committees for study. The Senate received notes from the general workers' central and the association of certified public accountaints, entities which support the bill with slight modifications. The case has revived the confrontation between labor and management, which started 2 months ago when the unions demanded salary increases and the businesses started to lay people off.

ECUADOR

LIBERAL GROUP CRITICIZES RECOGNITION OF RIVAL FACTION

PA171628Y Quito Voz de los Andes in Spanish 1230 GMT 17 Dec 78 PA

[Text] A report from Guayaquil indicates that former Liberal Party leaders who comprised the Guayas provincial board [of the Liberal Party] of the rejected faction headed by Alfonso Callejas Vasconez, have denounced the resolution issued by the Supreme Electoral Tribunal. They charge that the ruling is absurd, illegal and that it violates the democratic principles which govern the activities of political parties since it disregards the national assembly held in Ambato and the decisions adopted there.

This liberal sector also rejects the national leadership which was gratuitously conferred upon Dr Ignacio Hidalgo Villavicencio by the Supreme Electoral Tribunal, saying that this is merely a payoff for his services to the dictatorship. In addition, this Liberal Party group, which is headed by Guillermo Martin Delgado in Guayaquil and which follows the guidelines of former Liberal Party national director Dr Francisco Huerta Montalvo, condemned the presence of Dr Carlos Silva Silva on the Supreme Electoral Tribunal, saying that he has become a judge and interested party in this problem since he was a delegate of former presidential candidate Dr Raul Clemente Huerta to the Electoral Tribunal.

The Guayas Liberal group has called on all Liberal Party institutions in the city to adopt a belligerent, rebellious posture regarding official directives imposed by the Supreme Electoral Tribunal for a period of 2 years. Finally, the Guayas Liberal faction has decided to propose, for the coming elections, the annulment of the vote for president and vice president of the republic and for the national chamber of representatives, on the grounds that the Ecuadorean Radical Liberal Party will not have candidates who remain loyal to the cause, which is their legacy from Gen Eloy Alfaro, during these elections.

POLITICAL MOTIVES IN CALDERON MURDER REJECTED

PA150425Y Paris AFP in Spanish 0048 GMT 15 Dec 78 PA

[Text] Guayaquil, Ecuador, 14 Dec (AFP)--Lt Col Selvio Arias, chief of the criminal investigation service, said here today that the murder of former presidential candidate Abdon Calderon Munoz, who died in a U.S. hospital on Saturday, was not a political crime but, rather, seemed to be an "act of personal vengeance" or the act of "an insane person."

Investigations are clearing up the death of the former presidential candidate and the Government Ministry has announced that activist Guillermo Mendez, a former student at the University of Guayaquil, was not responsible for the shots which fatally wounded the Ecuadorean politician. Mendez is charged with being the driver of the motorcycle from which a passenger on the back seat shot Calderon.

The government announced that the person who fired the shots has been identified but the name was not released to avoid hindering investigations, which the authorities hope to conclude as soon as possible. Another presumed accomplice, Abel Salazar, a lawyer and well-known extremist, was cleared of responsibility by the police, according to an official report.

FINANCE MINISTER DISCUSSES BUDGET, FOREIGN DEBT

PA172238Y Quito Voz de los Andes in Spanish 1730 GMT 16 Dec 78 PA

[Interview with Finance and Public Credit Minister Juan Reyna Santacruz; no date given--recorded]

[Text] [Question] Mr Minister, do the [budget] figures recently mentioned have any validity?

[Answer] No, they have absolutely no value. The information published by the daily EL TIEMPO is wrong because it speaks of a budget of 30 billion sucres. I can generally anticipate that the 1979 national budget will be similar to that of 1978, with slight increases mainly in the education sector which respond to requirements for the student population. The policy adopted in preparing the 1979 budget is most conservative.

[Question] Could you tell us something about the current deficit?

[Answer] No, I cannot anticipate any figures concerning the 1979 deficit. As for 1978, I have repeatedly said that the deficit constitutes approximately 10 percent of the total budget.

[Question] What are the economic perspectives for 1979?

[Answer] Sustained growth of the economy at approximately 6 to 6.5 percent, which is one of the highest rates in Latin America, with an expected production expansion mainly in the agricultural and livestock sector. The new agricultural and livestock development law will be signed shortly, while specialized credit mechanisms have been created recently to strengthen that sector, which we consider basic to the nation's future. We expect increased exports for 1979, a more favorable balance of payments and reduced inflation.

[Question] Do you foresee improvement in the nation's economy despite the foreign debt problem?

[Answer] The foreign debt problem is typical of all developing countries. In the case of Ecuador, the foreign debt has been handled with extreme caution, mainly in 1978, as acknowledged by some experts.

A country such as ours cannot avoid being indebted, especially to multilateral development organizations which offer soft credit lines such as the Inter-American Development Bank (IDB), which still grants us credits for 40 years with a 10-year grace period at very low interest. We will probably continue financing new projects through the IDB, the World Bank and other credit institutions because the Ecuadorean Government and nation are highly regarded. Ecuador is the only country that enjoys the lowest interest rates in the international financial market, a fact which demonstrates the confidence of these organizations in our country's progress and future.

JOURNALISTS CONDEMN ATTACKS ON NEWS MEDIA

PA182010Y Quito Voz de los Andes in Spanish 1730 GMT 18 Dec 78 PA

[Text] The National Union of Journalists [UNP] has issued a news bulletin, which was distributed to the social communication media, in which it states that it is not through threats, the closing of news media or the jailing of journalists that delicate national problems are going to be solved and that the general demand that the government uncover all the details of the vile assassination of economist Abdon Calderon Munoz is going to be neutralized.

There is a news law and whoever feels harmed by any given report, the UNP states, can go to court and seek protection of his reputation and punishment of the guilty party. Any warning contrary to this legal disposition goes against human rights, freedom of expression and the democratic way of defending a people. The bulletin states that the armed forces government is obligated to respect these international commitments and to guarantee to the Ecuadorean people the full exercise of their rights. There is no justification for acting contrary to this. The UNP concludes by stating that the military government is under the obligation of uncovering all the attacks that have been made with impunity up until now against journalists and the social communication media. The UNP notes that these attacks could be the beginning of an escalation of terrorism that dark and retrogressive forces want to impose on the country.

INTER-AMERICAN AFFAIRS

BEAGLE CHANNEL DISPUTE MAY GO TO UN SECURITY COUNCIL

PY181756Y Paris AFP in Spanish 1726 GMT 18 Dec 78 PY

[Text] United Nations, 18 Dec (AFP)--According to rumors circulating here today, the dispute between Argentina and Chile over the Beagle Channel may be submitted to the UN Security Council.

The possibility that the problem, considered to be very delicate by diplomatic observers, be aired in the Security Council would be possible if the situation between the two governments deteriorates.

Sources close to the Security Council indicated to AFP that the Chilean-Argentine situation has caused serious concern, but they hope that the two parties will reach a happy conclusion in their negotiations without the intervention of the council becoming necessary, the same sources indicated.

BRIEFS

ELECTRIC POWER CONNECTION PROJECT--16 Dec (AFP)--According to a Central American and Panamanian energy program, over $500 million will be saved in the next 20 years by the six area countries with an ambitious system of electric power connection. The system would start with the establishment of power lines to connect the power systems of the countries to complete a regional network. The Inter-American Development Bank is participating in the program with technical and economic assistance in several hydroelectric power plans in Central America. [Paris AFP in Spanish 2318 GMT 16 Dec 78 PA]

PERU

REPORTS OF THREATENING MILITARY PREPARATIONS DENIED

PA181918Y Paris AFP in Spanish 1803 GMT 18 Dec 78 PA

[Text] Lima, 18 Dec (AFP)--Official spokesmen have categorically denied reports circulating abroad that Peru is making military preparations in connection with the tension between Argentina and Chile.

According to the reports, the Peruvian Navy was mobilized "toward the south," a reference to Chile as the phrase is commonly interpreted, and military maneuvers are being staged in Peru in view of the possibility of an armed conflict in the southern cone. Actually, spokesmen for the navy and air force said, these reports may have originated in view of the events held here on the occasion of the graduation of cadets at the armed forces schools.

"Every year about this time," the air force spokesman said, "special acrobatic [as received] maneuvers, which do not represent any demonstration in relation to conflictive problems, are conducted." It was recalled in news circles that 4 years ago a foreign correspondent was expelled from Peru for having interpreted these air maneuvers as a warning to Chile in view of the approaching 100th anniversary of the War of the Pacific.

For his part, the navy spokesman said that the Peruvian Navy has not staged any kind of maneuvers lately. Newsmen ascertained that the squadron usually based in the neighboring port of Callao is there as usual. Military spokesmen were concerned over this kind of information, which they called sensationalist.

URUGUAY

EXISTENCE OF POLITICAL PRISONERS DENOUNCED

PY142209Y Paris AFP in Spanish 1215 GMT 14 Dec 78 PY

[Text] Paris, 14 Dec (AFP)--Two Socialist parliamentarians, Senator Bernard Parmantier and Representative Pierre Guidoni, in an article published today by the Paris newspaper EL PAIS [as received], denounced the existence of 5,000 political prisoners in Uruguay.

In the 5 years since the military coup, 50,000 Uruguayans have been imprisoned and half of them savagely tortured, according to the authors of a commentary issued prior to a conference organized by the International Secretariat of Jurists in Favor of an Amnesty in Uruguay [Secretariado Internacional de Juristas Pro Amnistia en Uruguay] (SIJUA), to be held from 15 to 16 December in the French Senate.

Guidoni and Parmantier state that there are 70,000 Uruguayans at present living outside their country. They assert that this large migration (workers, young people, technicians and intellectuals) has drained Uruguay of the representative sectors of Uruguayan society.